The Conference Board™

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A Monthly Report from the Consumer Research Center **March 1992**

Consumer Confidence Survey™

February Results

Confidence Drops to Seventeen-Year Low

The Consumer Confidence Index (1985=100) dropped to 46.3 in February, for a loss of some four points for the month. This is the lowest reading since December 1974, in the midst of a deep recession with rapidly rising unemployment and near double-digit inflation.

In the latest probe, consumers continue to have a bleak view of current economic conditions and are markedly more pessimistic than a month ago in their expectations for the immediate future. Buying plans are mixed.

The public's assessment of the current situation continues to be very negative. Less than 8 percent of all survey participants feel that present business conditions are "good," while a stark 49 percent say they are "bad." Similarly, on the issue of jobs, only 4.4 percent report that they are "plentiful," while almost half of all respondents complain they are "hard to get." These February figures are not significantly different than those of a month earlier.

In looking ahead to the next six months, consumers are a good deal more pessimistic than they were in January. Now, less than 17 percent expect business conditions to improve, while 22 percent fear they will worsen. On the question concerning employment prospects, less than 13 percent believe that there will be more jobs in the months ahead, but over 33 percent hold the reverse view.

In February, 6.8 percent of respondents said they would buy a car in the next six months, down from 7.0 percent in January. However, there was a good gain, for the third consecutive month, in intentions to buy a home. In the latest probe, 4 percent of those queried say that they plan such a purchase within the next six months, up from 3.5 percent in January. Interest in securing a major appliance was also a bit more lively in February. Vacation plans were down.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

The continued decline in consumer confidence is disconcerting. Since the euphoria which followed the mercifully quick victory in the Gulf War last March, the Confidence Index has lost some 35 points. The consumer's prime concern continues to be job security. This anxiety is credible, given recent labor market statistics — a decline in the number of people employed, a contraction in the length of the work week, and a decrease in hourly wage rates. However, there have also been some positive economic readings recently, such as a small pickup in retail sales and increased housing activity. Still, the economy will not be convincingly in a recovery phase until there is a marked improvement in the consumer's spirits.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households; 500+

All series seasonally adjusted	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan(r)	Feb(p)
	Business			Employment								Income	
	1991											1992	
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	59.4	81.1	79.4	76.4	78.0	77.7	76.1	72.9	60.1	52.7	52.5	50.2	**46.3**
Present Situation	53.1	51.7	48.9	47.8	43.7	43.8	45.1	39.1	31.0	27.1	22.5	22.6	**22.5**
Expectations	63.6	100.7	99.7	95.5	100.9	100.3	96.8	95.4	79.5	69.7	72.6	68.7	**62.2**
Appraisal of Present Situation: Percent													
Business Conditions													
Good	11.7	11.6	11.7	11.8	10.7	12.0	12.1	11.2	9.3	9.6	7.2	6.7	**7.6**
Bad	33.3	34.2	35.7	37.2	38.8	37.3	37.4	39.7	40.7	48.4	46.8	50.2	**48.9**
Normal	55.0	54.2	52.6	51.0	50.5	50.7	50.5	49.1	50.0	42.0	46.0	43.1	**43.5**
Employment													
Jobs plentiful	10.0	10.4	9.4	9.8	8.7	7.8	8.6	7.2	5.5	5.1	4.3	4.9	**4.4**
Jobs not so plentiful	56.8	53.9	55.1	52.4	53.8	54.6	52.8	52.8	51.0	47.8	47.9	48.1	**46.3**
Jobs hard to get	33.2	35.7	35.5	37.8	37.5	37.6	38.6	40.0	43.5	47.1	47.8	47.0	**49.3**
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	14.4	27.7	25.2	24.4	27.7	24.4	25.3	23.0	18.9	17.0	19.1	18.4	**16.5**
Worse	24.3	10.6	9.4	11.3	9.6	9.5	10.2	10.8	14.0	19.3	19.0	20.3	**21.9**
Same	61.3	61.7	65.4	64.3	62.7	66.1	64.5	66.2	67.1	63.7	61.9	61.3	**61.6**
Employment													
More jobs	11.6	20.8	19.4	18.9	21.0	19.9	18.8	17.7	14.8	12.6	13.9	13.1	**12.6**
Fewer jobs	31.4	19.1	17.9	18.6	17.4	18.1	18.5	20.1	26.0	28.1	28.3	30.0	**33.4**
Same	57.0	60.1	62.7	62.5	61.6	62.0	62.7	62.2	59.2	59.3	57.8	56.9	**54.0**
Income													
Increase	20.9	23.3	20.7	21.1	20.0	23.0	20.6	23.6	21.3	19.3	21.5	18.3	**17.4**
Decrease	11.6	8.7	8.9	10.1	9.8	9.0	9.9	8.6	11.6	11.8	13.4	12.4	**14.7**
Same	67.5	68.0	70.4	68.8	70.2	68.0	69.5	67.8	67.1	68.9	65.1	69.3	**67.9**
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.5	6.6	7.7	6.9	6.2	6.4	6.5	7.4	7.5	6.6	5.9	7.0	**6.8**
New	3.7	3.3	4.0	3.2	3.1	4.0	3.5	3.4	3.2	2.6	3.0	2.6	**3.7**
Used	3.0	2.6	3.1	3.0	2.8	2.1	2.7	3.0	3.3	3.0	2.2	3.5	**2.4**
Uncertain	0.8	0.7	0.6	0.7	0.3	0.3	0.3	1.0	1.0	1.0	0.7	0.9	**0.7**
Home													
Yes	3.0	4.2	3.0	2.8	2.8	2.9	2.9	3.4	3.3	2.9	3.1	3.5	**4.0**
New	0.8	1.1	0.8	0.9	0.6	0.5	0.7	0.8	0.6	0.8	0.7	0.8	**1.0**
Lived in	1.5	2.1	1.5	1.4	1.6	2.0	1.4	1.7	1.9	1.5	1.6	1.9	**2.0**
Uncertain	0.7	1.0	0.7	0.5	0.6	0.4	0.8	0.9	0.8	0.6	0.8	0.8	**1.0**
Major appliances													
Total plans	28.0	32.5	27.8	26.9	24.7	27.9	29.5	31.6	28.0	29.4	28.6	27.4	**29.0**
Refrigerator	4.9	5.3	3.6	4.0	3.5	4.0	4.6	5.9	4.2	4.4	4.2	4.3	**5.0**
Washing machine	4.3	4.6	3.8	3.2	3.5	4.4	3.7	3.4	4.3	3.7	4.0	3.8	**4.0**
TV Set	6.6	8.5	6.7	7.0	5.0	6.4	7.7	7.5	6.9	7.0	7.2	6.5	**6.3**
Vacuum Cleaner	4.6	5.5	5.3	5.2	4.8	4.4	5.3	6.0	4.7	5.9	5.2	5.2	**5.3**
Range	2.9	2.9	2.7	2.7	2.8	2.9	2.4	2.8	3.1	2.7	2.7	2.4	**2.7**
Clothes dryer	3.1	4.0	3.8	3.2	3.4	3.2	3.4	3.1	3.2	3.0	3.6	2.9	**3.5**
Air conditioner	1.6	1.7	1.9	1.6	1.7	2.6	2.4	2.9	1.6	2.7	1.7	2.3	**2.2**
Carpet	5.7	6.8	5.9	6.7	6.3	6.7	5.6	6.7	5.2	5.6	5.1	6.7	**5.4**
Vacation Intended Within Six Months: Percent													
Vacation Intended	45.8		47.3		45.9		46.6		49.1		48.2		**45.0**
Destination													
U.S.	41.0		41.8		40.6		40.6		42.7		42.8		**38.8**
Foreign country	6.4		7.1		6.4		7.8		7.8		6.8		**8.1**
Means of Travel													
Automobile	28.5		28.4		28.2		28.2		30.8		28.1		**25.8**
Airplane	16.3		17.8		17.7		17.2		17.0		17.1		**18.8**
Other	3.9		4.4		3.0		4.4		3.6		4.4		**3.5**

(p)—preliminary (r)—revised

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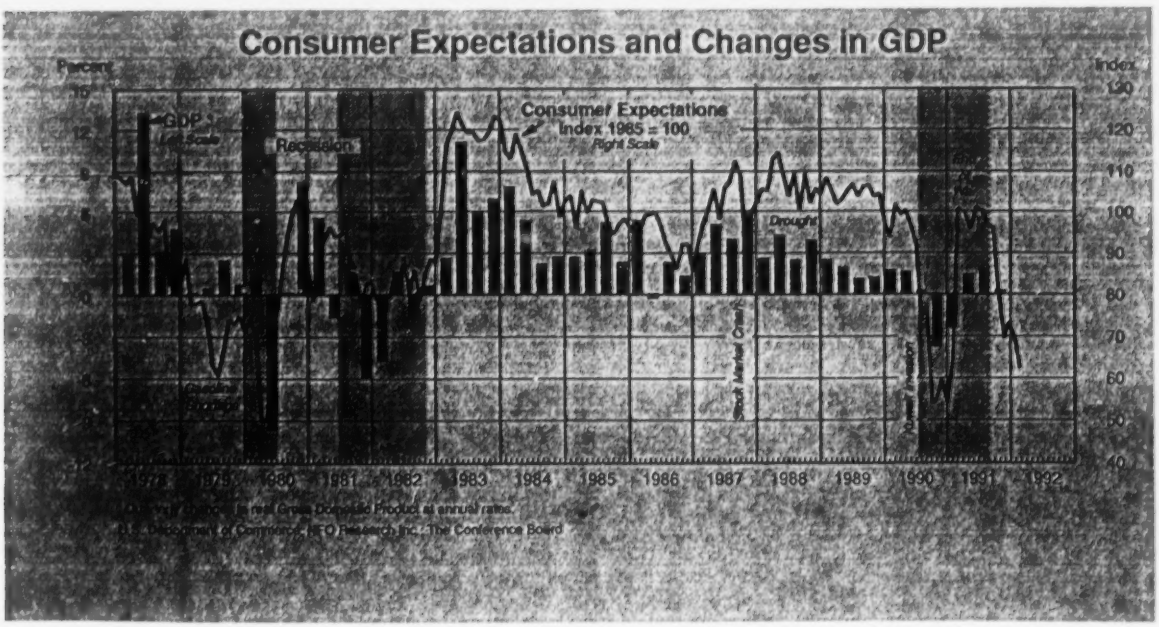
Inflation Interest Rates Stock Prices

Not Seasonally Adjusted	1991 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan(r)	Feb(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate Average	5.2	4.7	4.8	4.7	4.5	4.8	4.7	4.6	4.7	4.7	4.8	4.7	4.7
Interest Rates													
Higher	34.4	42.8	45.5	35.3	45.9	50.7	46.9	41.8	37.0	34.0	33.2	30.4	39.3
Same	22.2	25.3	27.9	29.2	29.6	27.9	27.5	30.2	27.3	25.2	27.7	30.5	27.4
Lower	43.4	31.9	26.6	35.5	24.5	21.4	25.6	28.0	35.7	40.8	39.1	39.1	33.3
Stock Prices													
Increase	37.8	46.6	42.8	41.7	43.7	41.8	39.3	39.5	35.8	33.9	29.9	41.9	39.8
Same	31.1	31.7	35.1	36.5	34.0	34.8	36.1	37.0	37.5	35.9	34.1	33.8	32.2
Decrease	31.1	21.7	22.1	21.8	22.3	23.4	24.6	23.5	26.7	30.2	36.0	24.3	28.0

All series seasonally adjusted	1991 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan(r)	Feb(p)	3 mos. Percent Change*
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	65.2	90.6	92.9	92.7	87.7	91.0	92.4	86.7	74.0	65.0	64.1	62.8	57.3	-18.4
35-54	62.5	82.0	77.7	77.9	78.5	79.9	77.1	70.2	58.8	52.4	53.6	48.3	47.8	-17.5
55 and over	50.0	69.4	70.0	63.2	67.9	64.9	61.7	61.6	48.4	42.7	42.6	41.1	35.9	-21.8
HOUSEHOLD INCOME														
Under $15,000	47.0	60.3	62.1	57.8	53.3	58.2	51.7	53.1	45.1	33.0	37.8	33.1	33.1	-20.7
$15,000-24,999	54.9	72.1	76.5	75.4	71.0	67.9	78.4	69.3	56.2	51.4	48.4	44.1	36.9	-26.9
$25,000-34,999	61.9	85.3	79.5	83.1	81.6	80.6	80.4	73.5	57.0	53.3	52.1	50.2	48.7	-17.9
$35,000-49,999	64.8	87.9	83.4	77.9	88.7	85.9	81.4	78.4	69.5	58.2	55.1	54.9	49.6	-22.5
$50,000 and over	69.0	98.2	94.9	89.5	93.7	93.8	89.0	84.4	70.0	65.1	64.4	63.3	59.8	-14.6

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1991 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan(r)	Feb(p)	AVERAGE: Dec., Jan., Feb. 1990/91	1991/92	Percent Change
NEW ENGLAND																
Consumer Confidence Index	37.3	53.5	52.1	49.8	51.2	47.9	57.6	51.2	37.2	33.4	30.5	27.6	31.0	31.3	29.7	-5.0
Present Situation	3.6	3.1	5.5	6.5	4.2	5.0	7.5	4.6	2.0	3.3	3.8	1.4	4.0	6.3	3.1	-51.3
Expectations	59.8	87.1	83.2	78.7	82.5	76.6	91.1	82.3	60.7	53.5	48.3	45.0	49.0	47.9	47.5	-1.0
MIDDLE ATLANTIC																
Consumer Confidence Index	48.9	72.6	66.0	65.3	65.5	60.1	61.7	61.7	47.1	37.0	39.4	44.9	41.7	47.5	42.0	-11.6
Present Situation	33.6	33.3	27.5	36.1	25.4	25.0	24.7	21.6	19.8	15.8	10.8	12.3	9.9	40.1	11.0	-72.6
Expectations	59.1	98.8	91.6	84.8	92.3	83.5	86.3	88.5	65.3	51.2	58.4	66.7	62.9	52.4	62.7	19.5
EAST NORTH CENTRAL																
Consumer Confidence Index	55.0	80.8	77.6	72.6	77.9	83.3	72.6	72.5	67.7	54.4	55.3	52.4	48.6	57.4	52.1	-9.3
Present Situation	49.9	53.4	52.7	47.4	51.8	54.2	49.9	44.6	39.8	32.3	25.8	24.4	21.2	65.7	23.8	-63.8
Expectations	58.5	99.0	94.2	89.4	95.3	102.7	87.7	91.2	86.4	69.2	75.0	71.1	66.9	51.9	71.0	36.7
WEST NORTH CENTRAL																
Consumer Confidence Index	54.5	76.5	71.6	73.7	74.5	73.4	70.4	74.5	68.2	52.3	51.9	61.8	50.9	56.6	54.9	-3.1
Present Situation	56.2	53.6	51.5	60.7	48.3	50.3	52.6	57.9	47.8	42.8	36.3	37.3	34.1	61.4	35.9	-41.6
Expectations	53.3	91.9	85.0	82.4	92.0	88.8	82.3	85.6	81.8	58.7	62.3	78.1	62.1	53.4	67.5	26.4
SOUTH ATLANTIC																
Consumer Confidence Index	69.9	86.0	85.8	84.4	86.4	85.8	84.0	84.6	68.4	60.3	53.6	55.9	55.4	64.2	55.0	-14.4
Present Situation	59.3	44.5	55.3	47.4	51.1	47.3	50.7	53.9	34.6	29.8	22.5	21.4	21.1	65.7	21.7	-67.0
Expectations	77.0	113.7	106.2	109.1	109.9	111.5	106.2	105.0	91.0	80.6	74.4	79.0	78.2	63.2	77.2	22.2
EAST SOUTH CENTRAL																
Consumer Confidence Index	58.5	85.9	77.1	61.7	73.2	79.5	72.9	67.7	60.7	60.8	61.0	52.4	52.1	58.0	55.1	-5.0
Present Situation	50.4	45.8	39.7	37.5	42.6	44.7	50.8	32.0	40.3	40.6	42.5	27.6	29.1	51.0	33.1	-35.2
Expectations	63.9	112.6	102.1	77.9	93.7	102.7	87.6	91.6	74.3	74.3	73.3	68.9	67.5	62.7	69.9	11.4
WEST SOUTH CENTRAL																
Consumer Confidence Index	66.5	84.3	75.8	73.0	76.3	67.5	65.4	73.7	60.8	60.7	49.8	54.7	48.6	65.6	51.0	-22.2
Present Situation	40.0	45.7	43.3	43.4	40.4	34.7	36.7	39.6	30.1	32.2	22.4	23.9	27.7	45.4	24.6	-45.8
Expectations	84.2	110.0	97.5	92.8	100.2	89.4	84.5	96.5	81.2	79.8	68.0	75.3	62.6	79.0	68.6	-13.1
MOUNTAIN																
Consumer Confidence Index	65.8	83.2	98.1	81.5	95.3	86.3	94.2	86.8	84.0	68.2	62.4	62.9	68.1	70.2	64.5	-8.2
Present Situation	38.4	58.9	58.8	48.9	57.9	61.7	53.3	58.4	67.0	35.3	38.0	42.7	35.1	49.5	38.6	-22.0
Expectations	84.0	99.5	124.3	103.3	120.2	102.7	121.5	105.8	95.3	90.2	78.7	76.4	90.2	84.1	81.7	-2.8
PACIFIC																
Consumer Confidence Index	84.9	101.1	95.8	91.0	89.5	90.6	87.2	81.2	74.0	62.9	53.9	54.0	47.0	78.4	51.6	-34.1
Present Situation	94.3	85.8	72.0	82.4	77.5	73.4	72.9	62.6	53.8	39.4	31.4	23.0	20.2	95.2	24.8	-73.9
Expectations	78.6	111.3	111.6	96.8	97.5	102.1	96.8	93.5	87.4	78.6	68.9	74.7	64.8	67.2	69.5	3.4

* Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.